

**Section 4.1: Reimbursement Rates**

Reimbursement rates are national payments for meals/snacks served to enrolled participants who participate in the CACFP. The ADE notifies sponsors of the CACFP reimbursement rates for the period beginning July 1<sup>st</sup> of the current year through June 30<sup>th</sup> of the following year. The reimbursement rates are based on changes in the Consumer Price Index of the preceding year and published in the Federal Register by the USDA. Current reimbursement rates are available on the CACFP website at <http://www.ade.az.gov/health-safety/cnp/cacfp/adult> (click on current fiscal year's "Application and Recordkeeping Forms"). A hard copy of the reimbursement rates is included in the CACFP application materials.

Sponsors also receive cash-in-lieu (CIL) of commodities as additional assistance for each lunch or supper served. Current CIL rates are included with the reimbursement rates.

A claim automatically allocates a percentage of free, reduced and paid meals according to the number of participants reported in each category on a monthly claim. Free or reduced eligibility is dependent on the family size and income level of the household of each enrolled participant for that month. Sponsors are responsible for maintaining current income eligibility information for each participant enrolled in the center. For further information on maintaining income eligibility, please refer to the *CACFP Eligibility Guidance Manual for Center-based Programs*.

In order to determine the amount of reimbursement for each sponsor, ADE calculates a claiming percentage. Claiming percentages are calculated on a monthly basis and are dependent on the number of participants classified as free, reduced or paid, divided by the total enrollment, then multiplied by the reimbursement rate per meal type. The following steps are used to establish the claiming percentage for a specific meal type:

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### Section 4.3: Claims Processing

Claims for reimbursement must be submitted electronically via the internet at <https://www.ade.az.gov/CommonLogon/logon.aspx>. A Sponsor claim must be filed every month to report all administrative and operational costs. The Sponsor claim must be submitted first, followed by each site(s) claim.

Claims for reimbursement are due to the ADE Finance Unit on the 10<sup>th</sup> of the month. Federal regulations allow ADE 45 days from submission of a valid claim to process that claim. Claims received after the 10<sup>th</sup> of the month may be processed during the next month's processing. If the 10<sup>th</sup> of the month falls on a weekend or holiday, the claim is due the following business day. Hard copy claims may not be submitted.

Claims that are filed electronically with any errors will not be accepted for submission by the web-based system. Once the claim is processed, the checks are generated and mailed to the address provided on the W-9 form. Direct deposit may be set up by completing ACH direct deposit application available from General Accounting Office at following website:

[http://www.gao.state.az.us/vendor/payment\\_options\\_home.asp](http://www.gao.state.az.us/vendor/payment_options_home.asp).

The CACFP requires for-profit centers to maintain at least 25% Title XIX recipients of the license capacity or enrollment, whichever is less, each month a claim is filed. To determine Title XIX eligibility:

1. Determine the number of enrolled participants in attendance during the claim month. Participants in attendance include part-time and drop-in care. All participants in attendance must be included in the calculation regardless of whether they were claimed for a meal.
2. Determine the number of enrolled Title XIX participants in attendance during the claim month.
3. Divide the Title XIX participants by the total number of participants in attendance for the claim month. If this number is greater than or equal to .25 (25%), a claim may be submitted that month. If the number is less than .25, the center is not eligible to claim for that month.

Example: After reviewing the attendance records of the month of October, it is determined that 50 participants came at least one day during the month. Of those 50 participants, 12 were Title XIX participants.

$$12 \div 50 = .24 \text{ (24\%)}$$

The center is ineligible to claim for October because .24 (24%) is less than .25 (25%). 25% of the total enrollment or the license capacity, whichever is less, must be Title XIX recipients. There is no Title XIX requirement for non-profit centers.

Institutions must have a current DHS license each month a claim is filed. ADE will not reimburse an institution that does not have a current license or for meals served in excess of license capacity at any one time.

Claims submitted via the internet can only be submitted by persons with current access to CNP Web via Common Logon. The username serves as an electronic signature.

Sponsors with 10 days of food service or less in any month may combine the partial month claim with the preceding or subsequent full month claim for reimbursement. However, the partial claim may not be combined with the last month of a fiscal year (September) with the first month of the next fiscal year (October) or when reimbursement rates change (June cannot be combined with July). Also, if a claim combines a full month with a partial month, the submission deadline for the full month shall govern. For example, a Sponsor whose program year ends June 10 may combine meals served in June on the same claim with meals served in May. This May/June claim must be submitted as if it were strictly a May claim (i.e. 60 days from May 31).

### **Late Claims**

A monthly claim for reimbursement, or upward claim revision, must be submitted to ADE within 60 calendar days from the last day of the claim month. Claims filed after 60 days that result in an increase in reimbursement will not be processed unless a one-time exception is requested. (Refer to Section 4.4.) Revised claims resulting in a reduction of reimbursement may be submitted to ADE at any time. Please contact the ADE Financial Unit if you wish to submit a downward revision after 60 days from the last day of the claim month.

**Section 4.4: One-Time Exceptions**

All claims or revised claims for reimbursement must be submitted within 60 calendar days from the end of the claiming month or claims cannot be paid. If they are not submitted within the 60-calendar-day period, the institution may request an exception in one of two ways:

**Circumstances Within The Sponsor's Control:**

Each sponsor is allowed an exception for the submission of a late or revised claim that was *within the sponsor's control* as long as a similar exception has not been granted during the previous 36-month period. In order for the sponsor to receive this exception, the sponsor must submit an acceptable Corrective Action Plan (CAP) to ADE for approval. The CAP must contain the following:

1. A description of the problem contributing to the lateness of the claim.
2. Actions taken to avoid any future late claim submissions.
3. A statement recognizing that the One Time Exception may be requested only every after three years or a 36-month period, whichever is later.
4. The signature of the person who entered into the agreement with the State to operate the program.

Upon receipt, the CAP will be reviewed to determine whether it sufficiently addresses the reason for lateness and the actions to remedy the late submission. Once the CAP is approved, the late claim will be processed for payment. If it is not approved, ADE will advise you of the deficiencies which need to be addressed.

**Circumstance Beyond The Sponsor's Control:**

If the sponsor's claim is late due to circumstances beyond the sponsor's control, the sponsor may submit the claim with detailed and documented evidence in writing. ADE will review the sponsor's documentation and send it to the USDA Regional Office for approval. The Regional Office will analyze the evidence and make the final determination as to whether the circumstances warrant payment. If USDA does not approve, the sponsor may still request the one-time exception described above.